



Roy Cooper North Carolina Attorney General

For immediate release
Date: February 8, 2007

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Companies to pay for putting personal info at risk, says Cooper

*AG announces settlements with three Charlotte-area businesses
accused of illegally dumping customers' personal information*

Raleigh: Three Charlotte-area businesses have agreed to pay thousands of dollars for putting their customers and employees at greater risk of identity theft by illegally dumping files containing their personal information, Attorney General Roy Cooper said today.

"These companies turned trash into treasure for identity thieves by dumping their customers' personal information," said Cooper. "We won't tolerate companies that break the law and put people at risk of identity theft."

Cooper announced settlements today with Movie Gallery of Dothan, Alabama, which previously owned a video store in Gastonia, Empire Equity Group and the manager of a former Charlotte branch, and Home Finance Mortgage, Inc. formerly of Cornelius and its owners. The three companies and their owners will pay a total of \$65,500 for illegally throwing away old records that included personal information about customers and employees such as Social Security and bank account numbers. All three companies are also required to notify consumers whose information may have been put at risk.

Under a law that Cooper pushed through the General Assembly in 2005, businesses that dispose of personal identifying information are required to destroy or shred those records, so that identity thieves can't retrieve information from discarded files that have been carelessly thrown away. Cooper also won laws that require businesses as well as state and local governments to notify consumers whose personal information may have been lost or stolen due to a security breach.

Movie Gallery operated a video rental store at 3001 Union Road in Gastonia. Around September 25, 2006, the owner of a neighboring business reported seeing a large number of Movie Gallery's files and videos in the dumpster. According to the settlement, the files contained personal information of people employed by Movie Gallery and people applying for jobs at the video store as well as people applying for movie rental membership. Movie Gallery has agreed to pay \$50,000 to the state.

Empire Equity Group operated a mortgage lending office at 2400 Crownpoint Executive Drive in Charlotte beginning in September 2002. Jonathan Lee Bailey served as manager and had previously operated offices for other mortgage companies in the area. According to the settlement with Cooper's office, around October 28, 2006 Bailey threw mortgage files that included personal financial details about people who applied for mortgage loans in the dumpster. Empire Equity and Bailey will pay the state \$12,500.

Stephen and Terri Newsome operated Home Finance Mortgage, Inc. at 20723 Torrence Chapel Road, Suite 204 in Cornelius until sometime in 2005 or 2006. According to the settlement, in November 2006 the company dumped files containing names, addresses, Social Security numbers, credit card numbers, and bank account numbers of people who had applied for mortgage loans. An investigator from the NC Office of the Commissioner of Banks helped Cooper's office with the investigation. Home Finance and its owners have agreed to pay the state \$3,000 for their violations.

Cooper's office found out about these violations thanks to reports from neighboring businesses, consumers and local reporters. Anyone with information about a business that isn't following the law to destroy old records and protect consumers from identity theft is encouraged to report it to the Attorney General's Consumer Protection Division by calling 1-877-5-NO-SCAM toll-free within North Carolina.

Consumers and businesses can also visit www.noscamnc.gov for simple ways to stop identity thieves in their tracks, along with prevention tips and instructions for filing a complaint.

"We've been working to get businesses to do a better job of protecting consumers' personal information," said Cooper. "If you spot a business that's making it too easy for criminals to get their hands on consumers' personal information, let my office know about it."

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